

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, JUNE 3, 2010  
BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, June 3, 2010 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Board Member Boland led the pledge of allegiance.

**ROLL CALL:**

**PRESENT:** Board Members: Berman (Ex-Officio), Boland, Finnila, Gleason, Panknin, Col. Richie (Ex-Officio), Robinson

**ABSENT:** Board Members: Cox, Desmond, Smisek, Young

**ALSO PRESENT:** Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Sara Real, Assistant Authority Clerk I

**PRESENTATION(S):**

**A. PRESENTATION ON THE NEW AIRPORT AUTHORITY WEBSITE  
(Educational Item):**

Jon Graves, Webmaster, provided an overview of the new Airport Authority website.

**B. STATUS REPORT ON THE FEDERAL AVIATION REGULATIONS PART 150  
(AIRPORT NOISE COMPATIBILITY PLANNING) PROGRAM:**

Dan Frazee, Director, Noise Mitigation, provided a presentation on the Federal Noise Compatibility Program Update, which included the Description / Purpose, Background, Objective of Part 150 Study, Board Responsibility, Public Outreach, Measures Recommended for Submittal, and Next Steps.

**C. REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:**

Vernon Evans, Vice President, Finance/Treasurer, provided an update on the Authority's Financial Condition, which included: Monthly Operating Revenue, FY 2010; Operating Revenues for the Ten Months Ended April 30, 2010 (Unaudited); Monthly Operating Expenses, FY 2010; Financial Summary for the Ten Months Ended April 30, 2010 (Unaudited); Nonoperating Revenues for the Ten Months Ended April 30, 2010 (Unaudited); Balance Sheets (Unaudited); Balance Sheet (Unaudited) Authority Liabilities and Net Assets; Authority Net Income (Unaudited); Total Portfolio Summary; and Summary of Outstanding Commercial Paper, April 30, 2010.

**REPORT FROM CITIZEN COMMITTEE:**

• **AIRPORT ADVISORY COMMITTEE:**

Bella Heule, Chair, Airport Advisory Committee, provided a report on the May 20, 2010 Advisory Committee Meeting, which included an update on the Regional Aviation Strategic Plan, and recommendations to the Authority on the structure, composition and work plan of the Advisory Committee.

Ms. Heule stated that the structure, composition and work plan of the Advisory Committee was discussed in detail. She stated that comments were made regarding the large size of the committee and setting a limit on the number of participants. She stated that the Committee discussed the perceived need for a quorum, and the value of splitting the group. She reported that an inclusive ad hoc subcommittee will be formed to finalize the details of the work plan.

**REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:**

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Board Member Finnila provided a report on the May 3, 2010 Audit Committee Meeting.

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Board Member Boland reported that the Committee is currently working on the performance reviews of the Executive staff.

• **FINANCE COMMITTEE:** No Report

• **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**

Board Member Boland noted that the budget and timeline for the Terminal Development Program are being presented at this meeting.

- **RASP COMMITTEE:**

Board Member Finnila reported that the Committee and Authority staff have been in discussions with SANDAG on highway and transit projects that will impact and serve the airport.

### **LIAISONS**

- **MILITARY AFFAIRS LIAISONS:**

Board Member Boland reported that a letter of congratulations was sent to General Bailey, Marine Corps Recruit Depot regarding his promotion to Major General.

- **CALTRANS:**

Board Member Berman noted that CALTRANS recently met with Authority staff regarding the Environmental Impact Report for the north side. She further stated that Cindy McKim is the new director of CALTRANS.

- **PORT DISTRICT:**

Chair Gleason noted that the President/CEO would be distributing a list to the Board of outstanding issues with the Port District.

### **BOARD REPRESENTATIVES**

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:** None

- **SCAG AVIATION TASK FORCE:** None

- **WORLD TRADE CENTER:**

Board Member Panknin reported that he will be attending the "Export Forum" on June 11.

### **PRESIDENT/CEO REPORT:**

Thella F. Bowens, President/CEO, stated that the pedestrian bridge at Terminal 2 has been demolished, and she urged the Board to visit the Authority's website and watch a video of the demolition. She further reported that the Authority is sponsoring the Airports Council International Jump Start Conference, and acknowledged the Planning Department for winning first place for Distinguished Leadership from the American Planning Association's San Diego Chapter.

**CHAIR'S REPORT:**

Chair Gleason reported that the FY 2011 Budget will be presented at a Special Board Meeting on June 21, 2010, and that there will be a discussion on the implementation of the Ground Transportation Management Plan. He also reported that two grand jury reports have been released regarding code of ethics and managed competition and outsourcing. He stated that the responses to the reports will be discussed at the July Board meeting.

**NON-AGENDA PUBLIC COMMENT:**

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to ground transportation trip fees, and Authority Code 9.12, which addresses fees and charges for ground transportation service providers.

JELENA ROWE, LONG BEACH, Clean Energy, commended the Authority on the Ground Transportation Management Plan, and spoke in support of the use of alternative fuel vehicles at the airport.

CYNTHIA CONGER, SAN DIEGO, stated that there was not enough public involvement in the Part 150 Noise Study.

SUHAIL KHALIL, POINT LOMA, expressed concern regarding the Regional Aviation Strategic Plan Update, as well as the ALUCP process and composition. He further stated that the Peninsula Community Planning Board would like to hear a presentation on the Part 150 Study.

LISA MCGHEE, SAN DIEGO, spoke regarding the fees for off airport parking shuttles, and expressed concern regarding the limits on the number of permits allowed.

**CONSENT AGENDA**

Board Member Boland requested that Items 8 and 11 be pulled for discussion.

**ACTION: Moved by Board Member Finnilla and seconded by Board Member Boland to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Finnilla, Gleason, Panknin, Robinson; NO – None; ABSENT – Cox, Desmond, Smisek, Young. (Weighted Vote Points: YES – 56; NO – 0; ABSENT – 44)**

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the May 6, 2010 regular meeting.
2. **ACCEPTANCE OF BOARD MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**  
RECOMMENDATION: Accept the reports and pre-approve attendance at other meetings, trainings and events not covered by the current resolution.
3. **JUNE 2010 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2010-0057, approving the June 2010 Legislative report.

#### **CLAIMS**

4. **REPORT OF SETTLEMENT OF THE CLAIM OF PEDRO BUGARIN PURSUANT TO SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY POLICY 1.41:**  
RECOMMENDATION: Receive the report.
5. **AUTHORIZE THE REJECTION OF THE CLAIM OF JANICE BERKOW:**  
RECOMMENDATION: Adopt Resolution No. 2010-0058, authorizing the rejection of the claim of Janice Berkow.

#### **COMMITTEE RECOMMENDATIONS**

6. **FISCAL YEAR 2011 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board approve the plan.
7. **FISCAL YEAR 2010 THIRD QUARTER AUDIT ACTIVITIES REPORT, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board receive the information.
8. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENT – AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE TREASURER:**  
ACTION: This item was pulled from the Consent Agenda for discussion.

## **CONTRACTS AND AGREEMENTS**

9. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 12, 2010 THROUGH MAY 9, 2010, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 12, 2010 THROUGH MAY 9, 2010:**  
RECOMMENDATION: Receive the report.
  
10. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE CONSTRUCTION CHANGE ORDERS FOR THE 96 INCH SEWER PIPE LINER PROJECT:**  
RECOMMENDATION: Adopt Resolution No. 2010-0060, authorizing the President/CEO to execute construction change orders in an amount not-to-exceed \$860,700 for Project No. 103044, 96 Inch Sewer Pipe Liner at San Diego International Airport.
  
11. **AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CONSTRUCTION CHANGE ORDER AUTHORITY AND INCREASE THE CONTRACT DURATION FOR THE AIRFIELD INFORMATION SIGNS & RUNWAY GUARD LIGHTS, AND REPLACE/UPGRADE TAXIWAY LIGHTS PROJECT:**  
ACTION: This item was pulled from the Consent Agenda for discussion.
  
12. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH RICONDO AND ASSOCIATES TO PROVIDE ON-CALL AIRPORT PLANNING AND ENVIRONMENTAL CONSULTING SERVICES:**  
RECOMMENDATION: Adopt Resolution No. 2010-0062, authorizing the President/CEO to execute a third amendment to agreement with Ricondo and Associates extending the term for one year to expire July 29, 2011, to provide on-call airport planning and environmental consulting services.

## **CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION**

13. **AUTHORIZE THE PRESIDENT/CEO TO EXERCISE THE SECOND ONE-YEAR OPTION TO EXTEND THE TERM OF THE PORTER NOVELLI CONTRACT FOR PUBLIC OUTREACH SERVICES:**  
RECOMMENDATION: Adopt Resolution No. 2010-0063, authorizing the President/CEO to: (1) exercise the second option of the contract with Porter Novelli for public outreach services, extending the term of the contract for one year to expire June 30, 2011; and (2) reduce the applicable maximum amount payable by \$300,000, resulting in a maximum amount payable of \$2,700,000.

14. **AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 5, GROUP 7B (100 WEST SIDE, NON-HISTORIC, CONDOMINIUM UNITS):**  
RECOMMENDATION: Adopt Resolution No. 2010-0064, authorizing the President/CEO to reject the low bid of Dick Miller, Inc. as non-responsive and award a contract to the second lowest bidder, S&L Specialty Contracting, Inc., in the amount of \$2,126,550.00, for Phase 5, Group 7B, Project No. 380507B, of the San Diego County Regional Airport Authority's Quieter Home Program.
  
15. **AUTHORIZE THE PRESIDENT/CEO TO (1) EXERCISE THE FIRST ONE-YEAR OPTION TO EXTEND THE TERM OF THE NETWORK SECURITY ELECTRONICS, INC., (NSEI) CONTRACT FOR SECURITY ACCESS CONTROL SYSTEM MAINTENANCE AND REPAIR SERVICES, AND (2) AMEND THE EXISTING CONTRACT LANGUAGE TO REFLECT THE JANUARY 4, 2010, AUDIT RECOMMENDATIONS:**  
RECOMMENDATION: Adopt Resolution No. 2010-0065, authorizing the President/CEO to (1) exercise the first one-year option to extend the expiration date of the term of the NSEI contract for security access control system maintenance and repair services from September 1, 2010 to August 31, 2011, and (2) approve an amendment to the existing contract language to reflect the January 4, 2010, audit recommendations.

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**ITEMS REMOVED FROM THE CONSENT AGENDA FOR DISCUSSION:**

8. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENT – AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE TREASURER:**  
In response to Board Member Boland as to whether the Authority would be limited to only investing in the Local Agency Investment Fund, San Diego County Investment Pool and Local Government Investments Pools as indicated in the policy, Vernon Evans, Vice President, Finance/Treasurer, stated that those were the pools that have been identified but that the Authority could invest in other pools as well.  
  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2010-0059, amending Authority Policy 4.20 and delegating authority to invest and manage Authority funds to the Treasurer.

**ACTION: Moved by Board Member Boland and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Finnila, Gleason, Panknin, Robinson; NO – None; ABSENT – Cox, Desmond, Smisek, Young. (Weighted Vote Points: YES – 56; NO – 0; ABSENT – 44)**

**11. AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CONSTRUCTION CHANGE ORDER AUTHORITY AND INCREASE THE CONTRACT DURATION FOR THE AIRFIELD INFORMATION SIGNS & RUNWAY GUARD LIGHTS, AND REPLACE/UPGRADE TAXIWAY LIGHTS PROJECT:**

In response to Board Member Boland regarding project financing, Iraj Ghaemi, Director, Facilities Development, confirmed that this project is being financed using stimulus funding.

**RECOMMENDATION:** Adopt Resolution No. 2010-0061, authorizing an increase in the President/CEO's construction change order authority of \$205,200 to a revised change order authority of \$330,200, and increase the contract duration from 329 to 427 calendar days for Project Nos. 104059, Airfield Information Signs & Runway Guard Lights, and 104061, Replace/Upgrade Taxiway Lights, at San Diego International Airport.

**ACTION: Moved by Board Member Boland and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Finnila, Gleason, Panknin, Robinson; NO – None; ABSENT – Cox, Desmond, Smisek, Young. (Weighted Vote Points: YES – 56; NO – 0; ABSENT – 44)**

*The Board recessed at 10:15 a.m. and resumed at 10:22 a.m.*

CYNTHIA CONGER, SAN DIEGO, spoke regarding the length of the contract with Ricondo and Associates. She also spoke regarding the contract with Porter Novelli, and questioned the reason for the contract.

**NEW BUSINESS:**

**16. APPROVE THE FINAL BUDGET AND SCHEDULE FOR THE TERMINAL DEVELOPMENT PROGRAM (THE GREEN BUILD) DESIGN AND CONSTRUCTION:**

Bob Bolton, Acting Director, Terminal Development Program, provided a presentation on the Budget for the Green Build, which included Program Cost Summary, Budget Changes, Green Build Schedule, and Upcoming Program Milestones.



**RECOMMENDATION:** The Terminal Development Program Committee recommends that the Board adopt Resolution No. 2010-0066, authorizing final budget approval of \$431,465,038 for Contract 1 (Terminal 2 West Building and Airside Expansion at San Diego International Airport), \$251,520,587 for contract 2 (landside and smart curb improvements), \$121,715,068 for Airport Authority personnel and project administration costs, and schedule completion date approval of March 31, 2013, for the Terminal Development Program (The Green Build) Contracts 1 and 2.

**ACTION:** Moved by Board Member Boland and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Finnila, Gleason, Panknin, Robinson; NO – None; ABSENT – Cox, Desmond, Smisek, Young. (Weighted Vote Points: YES – 56; NO – 0; ABSENT – 44)

*The Board recessed at 10:38 a.m. and reconvened at 11:30 a.m.*

**CLOSED SESSION:** The Board recessed into Closed Session at 11:31 a.m. to discuss Item 24.

**17. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:  
(Government Code Section 54956.9 (a)):**

San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).

**18. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.

Property: 1.15 acre parcel located at the northern terminus of 13<sup>th</sup> Street in Imperial Beach

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer under Negotiation: Sale – Terms of Payment and Conditions.

**19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

Real property negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.

Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer

Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties Under Negotiation: Sale – terms and conditions.

**20. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

Pursuant to Government Code section 54956.9(a):

*Save Our Heritage Organization v. San Diego Unified Port District, et al., San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL*

21. **CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
San Diego Unified Port District v. Argonaut Insurance Company, et al, L.A.S.C.  
GIC 874394
  
22. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b)  
54956.8  
Property: 3.76 acre easement across MCRD property located on the  
Washington Street extension south of Pacific Highway, in the City of San Diego,  
CA .  
Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy  
Leech, Director, Real Estate Management.  
Under Negotiation: Consideration of MCRD's request for exclusive use of portion  
of the easement.
  
23. **CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**  
(Cal. Gov. Code Section 54956.9(a)):  
City of San Diego, Historical Resources Board: In re: Western Salt Company  
Salt Works, Report No. HRB-08-005
  
24. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and  
54956.8.  
Property: 2701 & 2535 Midway Drive, City of San Diego  
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer under  
Negotiation: Purchase – Price, Terms of Payment and Conditions.

**REPORT ON CLOSED SESSION:** The Board reconvened into open session at 12:06 p.m. There was no reportable action.

**NON-AGENDA PUBLIC COMMENT:** None

**GENERAL COUNSEL REPORT:**

**BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:**

**BOARD COMMENT:**

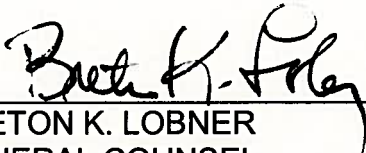
**ADJOURNMENT:** The meeting was adjourned at 12:06 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1<sup>st</sup> DAY OF JULY, 2010.



\_\_\_\_\_  
TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:



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BRETON K. LOBNER  
GENERAL COUNSEL